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8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**
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14 **In the Matter of the Accusation Against:**

15 **LUCKY CHANCES, INC., dba**
16 **LUCKY CHANCES CASINO**
17 **1700 Hillside Boulevard**
Colma, CA 94044

18 **LICENSE NUMBER GEGE-001108**
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BGC Case No. SA08-00023

OAH No. 2011-03-0417

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

21 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
22 entitled proceeding that the following matters are true:

23 **PARTIES**

24 1. At the time this action was brought, Jacob A. Appelsmith was the Chief of the
25 Bureau of Gambling Control, California Department of Justice ("Bureau"). He brought this
26 action solely in his official capacity. On or about January 3, 2011, Martin J. Horan IV, became
27 Acting Chief of the Bureau and is now the complainant in this action solely in his official
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1 capacity. Acting Chief Horan is represented in this matter by Kamala D. Harris, Attorney
2 General of the State of California, by Neil D. Houston, Deputy Attorney General.

3 2. Lucky Chances, Inc. (Respondent), is an active California corporation, Number
4 C1833044, which owns and operates the gambling enterprise known as the Lucky Chances
5 Casino, 1700 Hillside Boulevard, Colma, CA 94044. Respondent is presently the holder of
6 Owner's Gambling License No. GEGE-001108, issued by the California Gambling Control
7 Commission ("Commission"). Said license was in full force and effect at all times relevant
8 herein and will expire on September 30, 2011, unless renewed.

9 3. Accusation No. BGC SA08-00023 was filed before the Commission on or about
10 January 11, 2011. The Accusation and all other statutorily required documents were properly
11 served on Respondent on December 31, 2010. Respondent timely filed a Notice of Defense
12 contesting the Accusation. A First Amended Accusation No. BGC SA08-00023, OAH No.
13 2011-03-0417 was filed before the Commission on or about August 19, 2011. The First
14 Amended Accusation was properly served on Respondent on June 24, 2011. A copy of First
15 Amended Accusation No. BGC SA08-00023 is attached as Exhibit A and is incorporated herein
16 by this reference. A hearing on the First Amended Accusation was set for September 20, 2011.

17 Prior to the hearing, the parties entered into this Stipulated Settlement and Disciplinary
18 Order ("Stipulation"), and the hearing was taken off-calendar.

19 4. The parties agree that the Commission has jurisdiction over this matter and has
20 authority to approve this Stipulated Settlement and Disciplinary Order ("Stipulation").

21 CONTINGENCY

22 5. This Stipulation is subject to final approval by the Commission. This Stipulation
23 shall be submitted by the Bureau to the Commission for approval at a noticed Commission
24 meeting. Respondent shall be provided with written notice of the time, date, and place of the
25 meeting at which this Stipulation will be considered by the Commission. Respondent
26 understands and agrees that Respondent may not withdraw its agreement or seek to rescind the
27 Stipulation prior to the time the Commission considers and acts upon it. If the Commission
28 fails to adopt this Stipulation as its decision and order, the Stipulation shall be of no force or

1 effect, except that Complainant and Respondent agree that this Stipulation shall be inadmissible
2 in any legal action between the parties or for any purpose, and the Commission shall not be
3 disqualified from further action by having considered this matter.

4 6. If the Commission rejects this Stipulation as its decision and order, and no amended
5 agreement or settlement is reached before two additional regularly noticed Commission
6 meetings have concluded or sixty (60) days have elapsed, whichever is later, the Bureau shall
7 proceed with a formal evidentiary hearing of the charges in Accusation No. BGC SA2008-
8 00036, before an Administrative Law Judge from the Office of Administrative Hearings.

9 ADVISEMENT AND WAIVERS

10 7. Respondent has carefully read this Stipulation, and has been afforded the
11 opportunity to review and discuss its terms with counsel or other advisor(s) of Respondent's
12 choice. Respondent fully understands the charges and allegations in First Amended Accusation
13 No. BGC SA08-00023, and Respondent fully understands the effects of this Stipulation.

14 8. Respondent is fully aware of its legal rights in this matter, including the right to an
15 administrative/evidentiary hearing on the charges and allegations in the First Amended
16 Accusation; the right to confront and cross-examine witnesses; the right to present evidence and
17 to testify; the right to the issuance of subpoenas to compel the attendance of witnesses and the
18 production of documents; the right to reconsideration and court review of an adverse decision;
19 and all other rights accorded by the California Administrative Procedure Act and other
20 applicable laws.

21 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
22 every right set forth in paragraph 8, above, with respect to this matter and forever gives up any
23 right to challenge the allegations in the Accusation, to appeal, and to challenge or collaterally
24 attack the terms of this Stipulation.

25 10. Respondent agrees that counsel for the Bureau and the staff of the Bureau may
26 communicate directly with Commission staff regarding this Stipulation, without notice to, or
27 participation by, Respondent or its counsel or other adviser(s) of choice prior to the
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1 Commission's consideration of this stipulation at a noticed Commission meeting, and that no
2 such communications shall be deemed a prohibited ex parte communication.

3 CULPABILITY

4 11. Except as expressly denied herein, Respondent admits the truth of the facts alleged
5 in the First Cause for Discipline. Respondent disputes, but chooses not to contest, the application
6 of law to those facts that are alleged in the First Cause for Discipline. Respondent denies that it
7 knew, prior to notification by the Bureau of Gambling Control on or about March 10, 2008, that
8 Bay Area Player's Group, Inc. ("Bay Area"), at any time prior to that date provided third party
9 proposition player services using unregistered or unlicensed employees, and/or employees who
10 displayed fraudulent badges that had not been issued by the Commission. When Respondent
11 became aware of the fraudulent badges, Respondent terminated Bay Area Player's Group and
12 contracted with another company, prior to the filing of any proceeding by the Bureau.

13 12. Except as expressly denied herein, Respondent admits the truth of each and every
14 charge and allegation made as to it in the Second Cause for Discipline. Respondent denies that
15 it permitted Bay Area's employees to provide third-party proposition player services for the
16 game of "Pure 21.5 Blackjack" in violation of California Code of Regulations, title 4, section
17 12200.7, subdivision (b)(3) between the dates of January 25, 2008 and February 19, 2008.

18 13. Except as expressly denied herein, Respondent admits the truth of the facts alleged
19 in the Third Cause for Discipline. Respondent disputes, but chooses not to contest the
20 application of law to those facts that are alleged in the Third Cause for Discipline. Respondent
21 contends that there was an approved contract with Wagermaster, Inc., and also an approved
22 contract with the successor company, Fortune Players Group, but that the transition from one
23 company to the next did not occur on the date scheduled with the Bureau.

24 14. Respondent agrees that License GEGE-001108 is subject to discipline on the basis
25 of the foregoing, and agrees to be bound by the Commission's imposition of discipline as set
26 forth in the Disciplinary Order below.
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3. **Effect of Disciplinary Order on Subsequent Violations.** Entry of this Disciplinary Order shall not be deemed prior discipline for purposes of California Code of Regulations, title 4, section 12566(c), but may be offered as a factor in aggravation of penalty under California Code of Regulations, title 4, section 12556, subdivision (i).

4. **Effective Date.** This Order shall become effective upon service¹ on Respondent of written notice of the Commission's adoption of this Stipulated Settlement and Disciplinary Order.

ACCEPTANCE

The undersigned has carefully read the above Stipulated Settlement and Disciplinary Order and has been given the opportunity to review it with an attorney or other advisor of its choice. The undersigned understands the Stipulation and the effect it will have on State Gambling License GEGE-001108. The undersigned enters into this Stipulation and Disciplinary Order voluntarily, knowingly, and intelligently. All corporate formalities required to make this Stipulation and Disciplinary Order binding upon the Respondent when executed by the undersigned have been undertaken and completed, and Respondent agrees to be bound by the Order of the Commission upon the signature of the undersigned.

Dated: September 18, 2011

LUCKY CHANCES, INC.

By: ROMMEL MEDINA
Title: CEO

¹ As used herein, the term "service" shall mean the date of mailing.

COMPLAINANT'S ACCEPTANCE

Dated: September 16, 2011



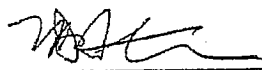
MARTIN J. HORAN IV, Acting Chief
Bureau of Gambling Control

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: September 19, 2011

KAMALA D. HARRIS
Attorney General of the State of California

By: 

NEIL D. HOUSTON
Deputy Attorney General
Attorneys for Complainant

Dated: September _____, 2011.

BLONIEN AND ASSOCIATES, INC.

By: _____
RODNEY J. BLONIEN
Attorneys for Respondent

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COMPLAINANT'S ACCEPTANCE

Dated: September _____, 2011

MARTIN J. HORAN IV, Acting Chief
Bureau of Gambling Control

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
submitted for consideration by the California Gambling Control Commission.


Dated: September _____, 2011

KAMALA D. HARRIS
Attorney General of the State of California

By: _____
NEIL D. HOUSTON
Deputy Attorney General
Attorneys for Complainant

Dated: September _____, 2011

BLONIEN AND ASSOCIATES, INC.

By:  _____
RODNEY J. BLONIEN
Attorneys for Respondent

DECISION AND ORDER

DECISION AND ORDER OF THE COMMISSION:

The foregoing Stipulated Settlement of the parties "In the Matter of the Accusation Against Lucky Chances, Inc., dba Lucky Chances Casino, License Number GEGE-001108" OAH Case No. 2011-03-0417 has been adopted by a majority vote of the Commission as its final decision and order in this matter and is effective upon execution below by the Commission members.

IT IS SO ORDERED

Dated: Nov. 10, 2011 Signature: Stephanie Shimazu
Stephanie Shimazu, Chairperson

Dated: _____ Signature: _____
Tiffany E. Conklin, Commissioner

Dated: Nov. 10, 2011 Signature: Lauren Hammond
Lauren Hammond, Commissioner

Dated: Nov. 10, 2011 Signature: Richard Schuetz
Richard Schuetz, Commissioner